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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

MARC SPITZER, Chairman  
JIM IRVIN  
WILLIAM A. MUNDELL  
JEFF HATCH-MILLER  
MIKE GLEASON

Arizona Corporation Commission

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AZ CORP COMMISSION  
DOCUMENT CONTROL

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*[Signature]*

IN THE MATTER OF:

DOCKET NO. S-03506A-02-0000

JOHN R. WALLRICH and JANE DOE  
WALLRICH, husband and wife,  
10742 SW Heron Place  
Beaverton, OR 97007,

Respondents.

SECOND  
PROCEDURAL ORDER

**BY THE COMMISSION:**

On November 18, 2002, the Securities Division ("Division") of the Arizona Corporation Commission ("Commission") filed a Notice of Opportunity for Hearing Regarding Proposed Order to Cease and Desist, for Restitution, for Administrative Penalties, and For Other Affirmative Action ("Notice") against John R. Wallrich and Jane Doe Wallrich ("Respondents") in which the Division alleged that Respondent have engaged in acts, practices, and transactions that constitute violations of the Arizona Securities Act ("Act").

On December 6, 2002, Respondents, through their attorney, filed a request for a hearing and a pre-hearing conference.

On January 14, 2003, the Commission, by Procedural Order, scheduled a pre-hearing for February 4, 2003.

On February 4, 2003, the pre-hearing was held as scheduled. The Division appeared and was represented by counsel. The Respondents were also represented by counsel. The Division's attorney stated that the parties were still in the process of discussing possible settlement, and requested this matter be set for hearing in April, 2003. The Respondents requested that this matter be set in May or

1 June, 2003, but agreed to setting this matter in April, 2003, and also agreed to waive the applicable  
2 time limits in this matter. At the beginning of the pre-hearing, the Securities Division noted that it  
3 had filed a memorandum regarding the effect of A.R.S. § 44-2031(C) in this action on today's date.  
4 After a brief discussion about the motion, it was determined that the Respondents would have until  
5 February 18, 2003 to file a Response and Staff would have until February 27, 2003 to file a Reply. It  
6 was noted that because this memorandum addressed the possible remedies in this case, that it and  
7 subsequent filings would be taken under advisement and would not be ruled upon until after the  
8 hearing in this matter.  
9

10 Accordingly, a hearing should be scheduled.

11 IT IS THEREFORE ORDERED that a hearing shall be held on April 28, 2003 at 10:00 a.m.,  
12 at the Commission's offices, 1200 West Washington Street, Phoenix, Arizona.

13 IT IS FURTHER ORDERED that the parties shall exchange witness lists and exhibits no later  
14 than April 7, 2003 and provide a copy of same to the presiding Administrative Law Judge.

15 IT IS FURTHER ORDERED that the applicable time limits in this matter are waived, and the  
16 Temporary Order to Cease and Desist shall continue until a Decision is reached by the Commission  
17 in this matter.  
18

19 IT IS FURTHER ORDERED that, if necessary, the Respondent shall file a Response to the  
20 Securities Division's memorandum of law regarding the effect of A.R.S. § 44-2031(C) in this matter  
21 on or before February 18, 2003, and the Division shall file a Reply on or before February 27, 2003.  
22

23 DATED this 10 day of February, 2003.

24 

25 PHILIP J. DION III  
26 ADMINISTRATIVE LAW JUDGE  
27  
28 ...

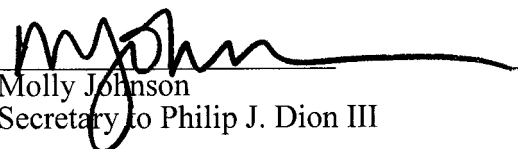
1 Copies of the foregoing mailed/delivered  
2 this 10 day of February, 2003 to:

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21 By:   
22 Molly Johnson  
23 Secretary to Philip J. Dion III  
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26  
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28